DNCT Committee
Meeting Notes
Thursday, 2:00-5:00
11/19/98

Agenda:

i. Environmental Water Account
ii. Bruce's Hybrid
iii. Scenario F
iv. Issue Statements

Action Items

1. EWA examples to be developed from gaming monthly and daily model output.
2. Russ to develop year/month matrix for export restrictions for four species groups. Needed for running hybrid and E.
3. DWR (Jim S) to provide existing account examples.
4. DNCT to decide size of EWA.

Highlights

I. Discussed WQ
II. Discussed EWA
III. Discussed Hybrid, F, and E, and how to model.

Water Quality

a. Dave B discussed Water Quality NNG actions
b. Considering action for 500 cfs fall outflow pulse for WQ and env benefits - drier years only. Would come from new storage.
c. George: outflow would create poor WQ as do storms. Dave B: would provide benefits in fall.

Environmental Water Account (EWA)

d. Dave F described from handout
e. Needs targets and triggers.
f. Terminology has been a problem
g. Credits - producing water or suppressing demands; buying water or reducing exports.
h. Two types: storage or reducing exports.
i. Loan with collateral concept (water stored)
j. Loan without collateral
k. Water in storage is collateral, as is ability to flex standards.
l. Bruce: after initial loan, EWA would be self sustaining
m. Dave: we will be able to purchase options and rarely need to use EWA.
n. Bruce: GW is last resort.
o. Dave: default rules to be negotiated.
p. George: you only have to pay off at end of year or in next year. Constraints on CVP exports could cause a problem since they are so hard to make up.

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q. Dave: No harm rule should be applied. MWD has more discretion in their delivery schedule thus they are a good tool for EWA.
r. George: Pitfall - default value. Promising approach. Need a win-win baseline.
s. Serge: EWA may affect WQ (+or -; minus for ag users).
t. Jim W: will operate around salvage peaks - will operators be able to cutback storage releases if EWA is used to cutback exports?
u. Dave: this would generate upstream credits and debits.
v. Pete C: no water cost if export reduction was balanced by lower storage release that was later released for later export.
w. Elise: would you keep separate accounts? Yes. One account could concievably go up while the other goes down.
x. Bruce: ecomanager could use EWA to use get credit for full Banks and gain WQ and upstream credits.
y. Serge: EWA water in upstream reservoirs may not be released without env cost (Shasta temp).
z. Pete C: could get by with single checkbook depending on real costs.
aa. George: will need two checkbooks
bb. Ron/Chet: examples would be helpful to show how it works.
cc. Curtis: DWR has four years of account examples. More concerned about where you would store water, not how to get water and negotiating initial account size. **Action: Jim Snow will provide examples.**
dd. Bruce: show how it works to sell the concept; but need to prove assurances that it will work.
ee. Pete C: concern that real water is in account.
ff. George: more to concept than we can deal with here. Need a negotiating team to work these details out later.
gg. Elise: Speer will need water deposited into account to accept risks. "Real water " is key.
hh. Ron: **Action: DNCT should provide number for management.**
ii. Dave: we should game the account to show how it works.
jj. George: assume 400 TAF as start. If we do then there will not be much to share. Negotiate a base amount for each year to start with.
kk. Dave: EWA is funded by flex ops. Ag/urban get water from NNG tools.
ll. Elise: FWS will want a big EWA to balance softer standards.
mm. Bruce: We should show management the tradeoffs.

Hybrid Proposal: Bruce:

1. Active management with eco manager concept - inherently lacks assurances.
2. Some standards needed to address holes in the Accord - specifically extended VAMP to 60 days to protect delta smelt. 15 days are discretionary for protecting delta smelt or San Joaquin smolts at either end of a basic 45 day period.
3. How standards water supply cost is balanced is not specified. Neither is function of EWA.
4. EWA would be used for protection outside of VAMP - would be applied with discretion depending on circumstances such as population abundance of ESA species and even striped bass.

5. EWA would also be used for conducting badly needed experiments - adaptive management - consistent with CALFED objectives.
6. EWA account water comes from expanded Banks and flexing of E/I. No provision for relaxing X2 or AFRP actions.
7. Corps criteria other than Banks not tied to EWA.
8. To reduce exports for 80 days, we need 150TAF in account.
9. Need two checkbooks: export curtailment credits and upstream storage.
10. Peak to Peak accounting rather than Oct to Oct.
11. George: that would not work
12. Jim S: including San Luis in EWA makes him nervous because SL is needed for WS.
13. Bruce: how do we get assurances from this hybrid?
14. Chet: GW options - 150 TAF SOD - rarely would need to actually use - just collateral.
15. Bruce: have to have access to credit line - just paper water in San Luis. Storing 150 TAF in project facilities will be difficult.
16. Jim W: How often does it need to balance? Every year? Once per year? Next peak? Only cost in dry years?
17. George: When accountable for payment? If impacts occur to deliveries. If storage changes in Shasta and Oroville change, then payment needed possibly in next year when that storage would have been called upon to meet deliveries. Also if contractors right to export capacities is hindered (interruptible supplies).
18. Elise: what are real differences in storing EWA in GW or San Luis?
19. Jim S: no difference except in carryover issue.
20. Serge: Carryover?
21. George: example: 100 TAF in Shasta that did not spill.
22. Bruce: key points of hybrid:

- adaptive management/experiments using EWA
- active management of EWA and fish protection
- many options for using EWA at discretion of ecomanagement
- not tied to standards
- put EWA water where most beneficial at time
- more water to exports

Instructions for modeling Hybrid:

- Use C as base.
- No E/I and extended Banks fund EWA
- 60 days of VAMP
- JPOD
- option A - EWA pay for extention of VAMP

Scenario F:

- How do we model it?
- Vague
- No need to model; only policy of how to run C.
- Different base is big difference - no need to model

- eco manager can relax X2 - we don't recommend that option so not needed.
- get back to Accord before sharing new water between WS and EWA.
- users get water from new facilities
- need guidance for ESA protection - none provided.
- Not offered as serious alternative by ag/urban - only policy statement.
- No concensus on operating JPOD

Scenario E:

- reductions, EWA and WS balance, possibly over more than one year period (borrow in dry years?)
- **action:** Russ to find number of days to reduce salvage by 50% for four species groups (two smelt, two chinook); then distribute these days into appropriate months. No need to model these as yet; just need to see table of distribution by year and month.
- Dave F: doesn't want to underestimate difficulty of anticipating salvage losses.